Saskatchewan
Ministry of
Agriculture

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All stated cattle prices are based on the weekly Canfax Market Outlook and Summary.
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Cattle Market Update

For the Week Ending August 9, 2013

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Feeder Cattle

Steers

	Range	Average August 2	Change from last week
300-400	-	-	-
400-500	-	-	-
500-600	-	-	-
600-700	-	144.00	-
700-800	-	138.67	-
800-900	-	135.75	-
900+	-	-	-

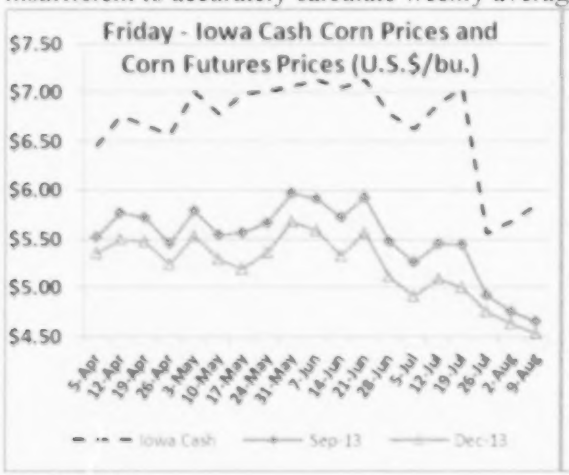
Heifers

	Range	Average August 2	Change from last week
300-400	-	-	-
400-500	-	-	-
500-600	-	-	-
600-700	-	128.00	-
700-800	-	128.78	-
800+	-	122.00	-

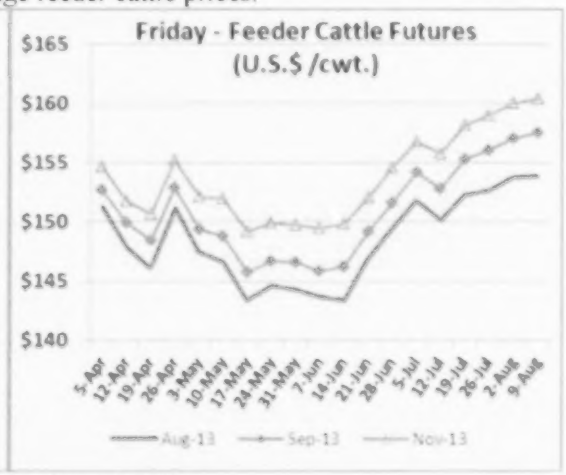
Source: Canfax.

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Thursday of the current week.

Canfax reported that a total of 2,875 head of cattle were sold in Saskatchewan this week, down from 3,121 head marketed the previous week. With the short week and several auction marts closed in Saskatchewan over the week the volume of feeder cattle in Saskatchewan was insufficient to accurately calculate weekly average feeder cattle prices.



Source: CME



Source: CME

Corn futures prices have continued to move lower over the last few weeks on expectations of a large U.S. corn crop. Since mid-June Iowa cash corn prices are down about US$1.20 per bushel while the September corn futures are down about US$1.06 per bushel. The USDA August Crop Report released August 12 estimated the new U.S. corn crop at 13.763 billion bushels, down 1.3 per cent from 13.950 billion bushels estimated last month, and below the current average trade estimates of 14.005 billion bushels. The lower estimates may have some upward influence on corn prices in the short term. U.S. soybean production was also revised lower to 3.250 billion bushels from 3.420 billion bushels from the July estimates, and below the current average trade estimates of 3.336 billion bushels.

Feeder cattle futures prices continued to trend higher over the week on tight cattle supplies and lower fall corn futures prices. Feeder cattle futures prices have increased by over US$10 per cwt since mid-June for the August to November 2013 feeder future contracts.

Live cattle futures prices also moved higher over the week with improved beef cutout prices and increased expectations that beef production in the U.S. would decline further than originally expected this fall and winter. The August to December 2013 Live Cattle futures contracts increased from US$1.800 per cwt to US$2.400 per cwt, week-over-week.

The big news for the week affecting markets was the announcement by Tyson Foods that as of September 6, 2013 they would suspend purchases of cattle that were supplemented with the feed additive known as Zilmax. Reasons cited by Tyson Foods for the decision were based on animal health concerns as they were worried about cases of cattle with lameness and difficulty in walking. Removing Zilmax from feed rations is expected to bring down the cattle weights (25 to 30 lb.) and will further reduce beef production in the United States. Considering Tyson Foods controls a significant portion of U.S. cattle the changes will notably impact industry production.

Fed and Non-fed Cattle

	August 9	August 2	Change
Cows (Alberta)			
D1,2 Live	80.57	80.08	+0.49
D3 Live	72.71	71.86	+0.85
Rail	156.00-161.00	151.00-156.00	+5.00

Source: Canfax.

Prices for liveweight, non-fed cattle in Alberta were higher from the previous week with D1,2 slaughter cows increasing $0.49 per cwt to average $80.57 per cwt, while D3 slaughter cows increased $0.85 per cwt to average $72.71 per cwt, from last week.

Fed cattle prices in Western Canada have declined over the week after several weeks of upward momentum. Fed steers in Alberta were reported to average $118.45 per cwt, down $1.74 per cwt from $120.17 per cwt the previous week.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$122.45 per cwt, up from US$120.35 per cwt the previous week. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$195.95 per cwt, up from US$194.27 per cwt the previous month.

The weekly average Choice beef cutout values (Choice 600-900 lb.) for the week ending Aug. 10 averaged US$187.92 per cwt, up from US$186.68 per cwt the previous week.

Friday Price Information

Product		This Week (August 9)	Week of: (August 2)
Canadian Dollar (closing rate US$)		.9714	.9625
U.S. Cash Cattle			
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		150.24	149.49
Seven-day Weighted Average FC Index Wt. (lb.)		771	771
Live Fed 5-area Steer Price (US$ per cwt)		122.45	120.35
Feed Grains			
Barley	Lethbridge ($/tonne)	233.00	253.00
	($ per bu.)	5.07	5.51
Corn	Iowa State Average (CDN$/tonne)*	236.68	231.79
	(US$ per bu.)	5.84	5.68
	Omaha, NE (CDN$/tonne)*	237.89	233.01
	(US$ per bu.)	5.87	5.72
Futures			
	September Corn (US$ per bu.)	4.65½	4.76
	December Corn (US$ per bu.)	4.53¼	4.63¾
	August Live Cattle (US$ per cwt)	122.500	120.650
	October Live Cattle (US$ per cwt)	126.875	124.475
	August Feeder Cattle (US$ per cwt)	153.850	153.725
	October Feeder Cattle (US$ per cwt)	160.000	159.150

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship,
Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate

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